

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

March 14, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Oahu

Forfeiture of General Lease No. S-5491, Randy Sunada and
Reginald Sunada, Lessee, Waimanalo, Koolaupoko, Oahu, Tax
Map Key:4-1-08:46.

PURPOSE:

Forfeiture of General Lease No. S-5491, Randy Sunada and Reginald
Sunada, Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Waimanalo,
Koolaupoko, Oahu, identified by Tax Map Key: 4-1-08:46, as shown
on the attached map labeled Exhibit A.

AREA:

5.055 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO x

CHARACTER OF USE:

Pasture purposes.

TERM OF LEASE:

35 years, commencing on 1996 and expiring on 2031.

ANNUAL RENTAL:

\$78.00 due in semi-annual payments.

REMARKS:

On November 21, 2007 staff inspected the 5.055-acre lease site and stated in the Notice of Default "...it was noted that a substantial portion of the leased area is being used for raising chickens." This included a large number of roosters housed in individual cages.

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 11, 1980 and the breach provision contained in General Lease S-5491, Randy Sunada and Reginald Sunada, Lessee, was served a Notice of Default by certified mail dated January 03, 2008 for:

 x Failure to comply with condition No. 12, which states,
 "The lessee shall use or allow the premises leased to be
 used solely for pasture purposes."

General Lease No. S- 5491 also states in pertinent part, Definitions (h), "'Pasture' means the conduct of livestock operation consisting of keeping cattle, primarily, and others, in a minor role, such as horses and sheep where animals graze he land for feed produced thereon. Compatible uses as woodland management, wildlife management and the cultivation of feed crops to be used strictly within the premises is permitted. The operation of commercial activities such as feedlots (excepting a private feedlot designed to feed the Lessee's own cattle), dairy milking parlors, or boarding of horses is not permitted."

Said notice, accepted by the Lessee on January 08, 2008, offered the Lessee a sixty-day cure period to correct the default. This cure period expired on March 08, 2008. As of March 08, 2008, this breach has not been cured.

As of March 08, 2008, the current status of all lease compliance items is as follows:

RENT: The Lessee is current with all rent obligations.

INSURANCE: The Lessee has posted the required liability insurance policy.

PERFORMANCE BOND:

 The Lessee has posted the required performance bond.
 This bond is in the form of cash.

CONSERVATION PLAN:

 The Lessee has a conservation plan approved by the NRCS on September 12, 2007 but not submitted to the Land Division for the chairperson's approval.

There has not been any other Notice of Defaults issued in the past two (2) years.

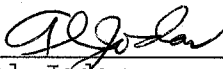
After receiving the Notice of Default letter, Mr. Reginald Sunada wrote a letter dated January 21, 2008 (Exhibit B) requesting an extension of the cure period until July 31, 2008. In mid February, Mr. Sunada spoke by phone with staff and stated he had removed many of the chickens off of the lease site but still needed additional time beyond the 60-day cure period.

On February 28, 2008 staff inspected the subject lease property and noted that a considerable number of chickens have already been removed.

RECOMMENDATION: That the Board:

1. Authorize the cancellation of General Lease No. S-5491 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-5491 to be applied to any past due amounts;
3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of March 14, 2008, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law; and
4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-5491 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,



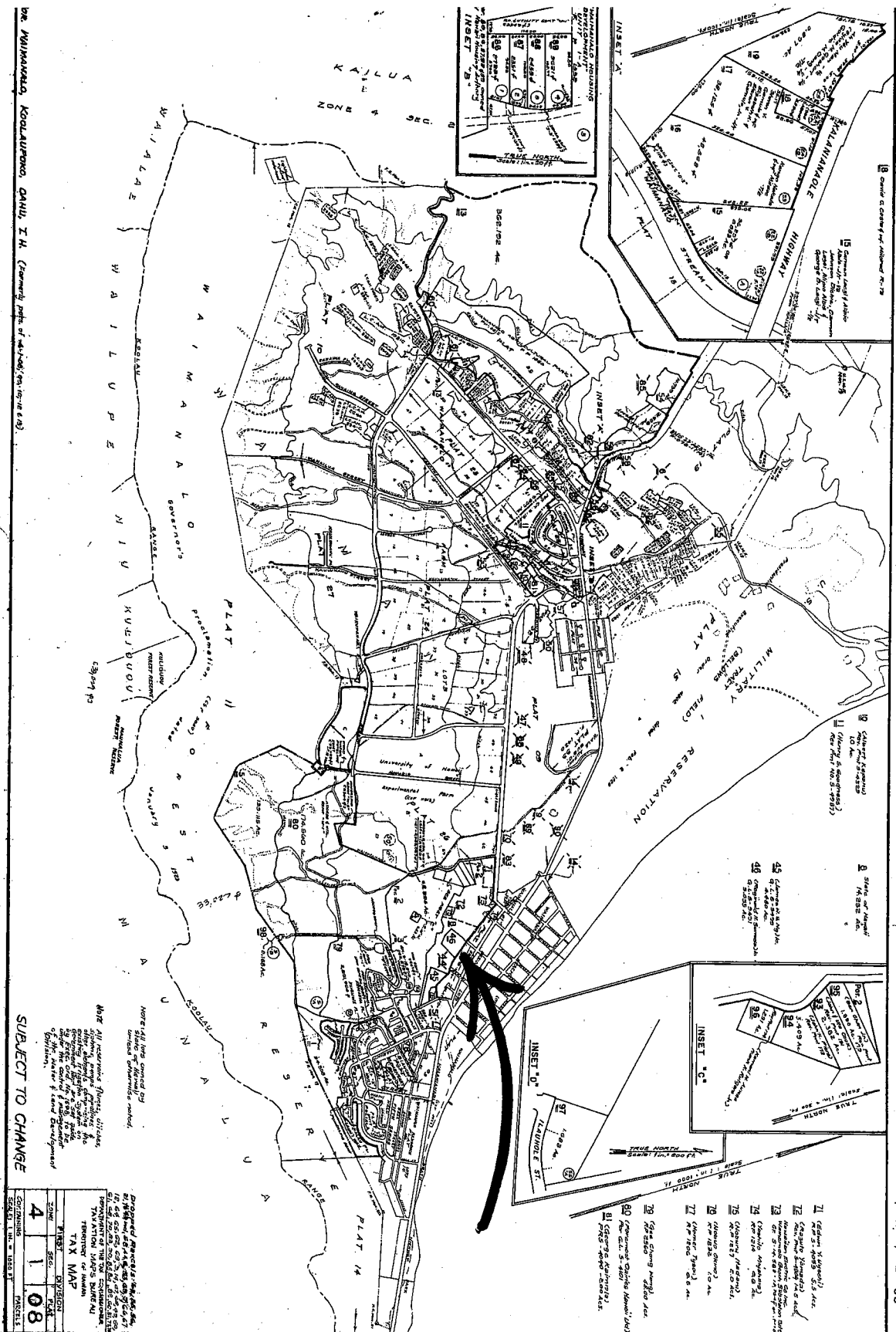
Al Jodar
Land agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson





Reginald H. Sunada
45-648 Apapane Street
Kaneohe, Hawaii 96744

January 21, 2008

GL 5491

Mr. Al Jodar
State of Hawaii
Dept. of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

Re: Certified Mail 7003 0500 0003 2596 0684
Dated : January 3, 2008

RECEIVED
LAND DIVISION
2008 JAN 23 A 10:19
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

Dear Mr. Al Jodar,

This is in response to your letter dated January 3, 2008 and received by me on January 8, 2008.

Your orders to rid the area of chickens will be complied. All I request is more time than the sixty days given, to find and relocate the chickens. If at all possible the extension I'm seeking is to July 31, 2008. Any consideration given to this subject will be greatly appreciated.

I can be reached at cell # 391-3345.

Respectfully,

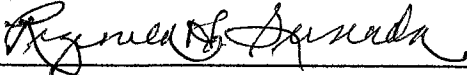

Reginald H. Sunada

EXHIBIT "B"